

**MELLINGER KARTZMAN LLC**

101 Gibraltar Drive, Suite 2F

Morris Plains, New Jersey 07950

Judah B. Loewenstein, Esq.

Tel. (973) 267-0220

jloewenstein@msklaw.net

*Attorneys for Steven P. Kartzman, Chapter 7 Trustee*

**In re:**

**NICHOLAS PEZZA,**

**Debtors.**

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEW JERSEY**

Case No.: 16-33371 (RG)

Chapter 7

Honorable Rosemary Gambardella

**APPLICATION FOR ENTRY OF A CONSENT ORDER RESOLVING DISPOSITION  
OF PROPERTY OF THE ESTATE AND PAYMENT OF FUNDS TO THE ESTATE IN  
LIEU OF TURNOVER PURSUANT TO 11 U.S.C. § 542(a)**

**TO: THE HONORABLE ROSEMARY GAMBARDELLA  
UNITED STATES BANKRUPTCY JUDGE**

Steven P. Kartzman, the Chapter 7 Trustee (the “Trustee”), by and through his attorneys Mellinger Kartzman LLC, hereby applies to this Court for entry of a Consent Order Resolving Disposition of Property of the Estate and Payment of Funds to the Estate in Lieu of Turnover Pursuant to 11 U.S.C. § 542(a) (the “Consent Order”), and in support thereof, respectfully states:

1. On December 8, 2016 (the “Petition Date”), Nicholas Pezza (the “Debtor”) filed a voluntary petition for relief under Chapter 13 of title 11 of the United States Code (the “Bankruptcy Code”).

2. On April 16, 2017, the Debtor filed a motion to convert his case to one under Chapter 11.

3. On August 31, 2018, the Office of the United States Trustee filed a motion to convert or dismiss the Debtor’s case.

4. On November 30, 2018, an order was entered converting the Debtor's case to one under Chapter 7.

5. On November 30, 2018, Steven P. Kartzman was appointed to serve as the Chapter 7 Trustee, with the duties described in 11 U.S.C. § 704 to, among other things, collect and reduce to money the property of the estate.

6. A 341(a) Meeting of Creditors was held on January 14, 2019. The Debtor testified, inter alia, about assets for which there appeared to be non-exempt equity. The Trustee advised the Debtor that the assets would be evaluated, and if there was substantial equity found, demand would be made for the turnover of that equity.

7. After a review of the documents provided by the Debtor and testimony obtained from the Debtor it was determined that there was non-exempt equity in the amount of \$25,463 in certain assets as of the conversion date.

8. In calculating the proper amount to demand from the Debtor the Trustee reduced the \$25,463 by \$10,340.48 representing funds turned over to the Trustee by TD Bank, N.A., as well as by \$5,555.77 representing checks paid by customers of the Debtor's landscaping business which were subsequently turned over to the Trustee.

9. On April 11, 2020 the Trustee sent a turnover demand letter to the Debtors' attorney demanding a net turnover of \$9,566.75, which represents the non-exempt equity remaining in the Debtor's scheduled assets.

10. Numerous communications took place between the Trustee and the Debtor's attorney, Mr. Bonomo, and a settlement agreement on a payment plan was ultimately reached. Subsequently, the Trustee and the Debtor entered into the Consent Order.

11. Pursuant to the pertinent terms of the Consent Order, the Debtor shall pay to the

Trustee the sum of \$9,566.75, to be paid in six (6) monthly installments of \$1,594.46 beginning with a payment on June 1, 2020.

12. The Trustee believes that the settlement is in the best interest of the estate, as it will avoid the necessity of fees, expense and delays attendant with further litigation, and the amount to be paid by the Debtor represents the non-exempt portion of the amount demanded.

13. No prior application for the relief requested herein has been made to this or any other court.

WHEREFORE, the Trustee respectfully requests that the Court enter the proposed Order submitted simultaneously herewith and for such other and further relief as is just.

Respectfully Submitted,

MELLINGER, KARTZMAN LLC  
Attorneys for Steven P. Kartzman  
as Chapter 7 Trustee

By: /s/ Judah B. Loewenstein, Esq.  
JUDAH B. LOEWENSTEIN

Dated: June 1, 2020